

# **ONE VILLAGE ONE PRODUCT (OVOP) APPROACH TO DEVELOP A REGION'S CRAFT PRODUCT POTENTIAL**

## **Case Study: Clay Craft at Kecamatan Plered, Kabupaten Purwakarta**

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### **Abstract**

One Village One Product (OVOP) is an approach of regional development aimed at enhancing the economy of the region. The concept of OVOP was originated from Oita, Japan, and adopted by various countries world wide.

Indonesia, through the Ministry of Industry, since 2008 has been implementing the OVOP program to develop potentials of small and medium size craft industry in ten regions of the country, including Purwakarta with its clay and ceramics craft potentials which became my research field. Implementation of OVOP in order to improve the craft industry requires an appropriate strategy that goes in line with basic principles of OVOP in order to solve particular problems of the industry.

This research is aimed to evaluate the implementation of OVOP in Indonesia. Despite the importance of Indonesian government's consistency and community participation in executing and overseeing the implementation of the planned programs, design development of craft product by the craftsperson and the designer consultant plays a very important role. Therefore more involvement of designer is significantly required to develop the design which answers the market demands and at the same time to keep traditional values and to solve the problems of the craft industry.

### **Keywords**

clay, craft, OVOP.

## 一村一品運動から手工芸品開発の潜在能力を検討する —インドネシア西ジャワ州のプレレッド地域の事例から

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### 要旨

一村一品運動 (OVOP) は、地域経済を高めることを意図した地域発展を目指すものである。OVOPのコンセプトは、日本の大分県が発祥となり、世界各地の様々な地域で採り入れられた。

インドネシアでは、産業省を通じて、2008年から、筆者の調査地でもある、陶器や磁器を作るプルワカルタを含めて、国内の10の地域において、小、中サイズの工芸品産業の潜在的能力を発展させるためのOVOPプログラムを行ってきた。工芸品産業の改良のためのOVOPの実用は、工芸品産業における特殊な問題の解決のために、OVOPの基本原則を遂行する確かな戦略を必要とするものである。

本調査は、インドネシアにおけるOVOPの実用化について評価することを目的とする。インドネシア政府の政策や、計画されたプログラムを利用し、また監督するコミュニティの重要性に関わらず、工芸品産業におけるデザイン開発は、大変重要な役割を及ぼしている。ゆえに、デザイナーの一層の関与が、市場の需要に応じられるデザインの発展のために重要とされ、同時に、伝統的な価値を維持し、工芸品産業の問題を解決することになる。

### キーワード

clay, craft, 一村一品運動 (OVOP)

## I. Introduction

Small and Medium Enterprises (SMEs) occupy an important and strategic position in the order of the Indonesia national economy. The population of SMEs unit is very high, i.e. more than 96% of the total industry in Indonesia. The unit of SMEs are spread nationally and the type and variety of products of the SMEs are very diverse. SMEs also able to absorb a lot of working labour which occupied about 78% of the workforce in the industrial sector. In addition, SMEs also provide a very

significant impact on the regional economy and the national economy. Despite its potential, SMEs in Indonesia still have problems to win both domestic and international market.

By adopting the One Village One Product (OVOP) which was first initiated in Oita, Japan, the Republic of Indonesia through the Ministry of Industry tries to solve the problems above. OVOP is an approach to develop a region's potential to produce products that can compete in global markets, while preserving unique character of the area. The result is a product that utilizes local resources, both natural and

human.

OVOP in its origin country, Japan, basically is an attempt for regional development. Different from other development programs, OVOP emphasizes the increase of the community's satisfaction over the improvement of the economy.

Application of OVOP in Indonesia is carried out through the Ministry of Industry since 2008 to develop the potential of small and medium industries in various sectors, including the craft sector. Ten areas selected by Government to be developed with OVOP approach are: Purwakarta (pottery/ceramic ornamental); Tasikmalaya (woven); Pekalongan (woven and woven vetiver); Boyolali (copper crafts); Bantul (pottery/ceramic ornamental); Kulonprogo (woven); Bangli (woven bamboo); Tabanan (pottery/ceramic ornamental); West Lombok (pottery/ceramic ornamental); and Central Lombok (woven rattan and ate). These ten areas were selected based on the results of early research on potential competencies of each regional crafts which can be developed further. The selection was fully carried out by the government with the help of consultants as a third party. The field of study cases I chose is Purwakarta in West Jawa with major handicraft products decorative pottery or ceramics. Purwakarta region was chosen as a case study in this research because earthenware or ceramic decorative in Purwakarta has been known since 1795 and still survive until today. In addition there are also some previous researches examining the development of pottery industry in Purwakarta. These earlier research results can serve as a cornerstone in comparing conditions before and after the industry implemented OVOP program.

Development of craft product design in various areas is just one aspect of OVOP

approach to develop the potential of a region. Therefore we need a strategy that covers all relevant aspects. I try to find the critical factors for success through literature studies of OVOP in its home country Japan as a reference, and compare it with its applicational forms in various countries, particularly in Asia.

By knowing the factors that contribute to success or failure of OVOP in other countries, I will evaluate the implementation of OVOP in Plered, Purwakarta as OVOP application of case study sites in Indonesia. Evaluation is useful to formulate recommendations to improve the implementation of OVOP in Purwakarta.

The documentary research was conducted on the implementation of OVOP in some Asian countries which had already implemented, in order to determine the critical aspects that affect the implementation of OVOP.

The field study focused on the sample area of Plered Subdistrict, Purwakarta Regency which hereinafter referred to **Plered** in this study. The region was selected by the government as one of OVOP implementation areas to develop the potential of the craft industry, in this case the craft pottery and decorative ceramics.

The objectives of this research is to:

- Mapping the determinant aspects of OVOP implementation
- Knowing the relevancy between the basic principles of OVOP with OVOP program's success rate in Plered

The research conducted was a qualitative exploratory and evaluative research. Documentary study was conducted with the objective of identifying the information further and more deeply about the OVOP concepts, by investigating the beginning history in Oita, Japan and the development of its application in several other

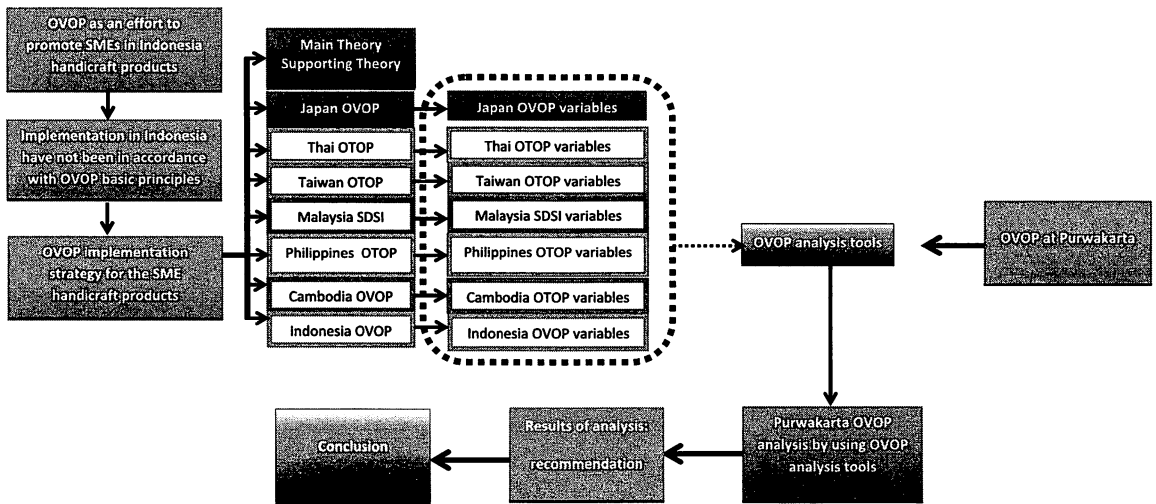


Figure 1.1 Research Flow chart

states. The field research was also done because of the lack of published documents describing the application of OVOP in Indonesia, although this program has been widely implemented in various areas since 2008, particularly for the craft sector.

Evaluative research was conducted to find out the results of the implementation of OVOP that has been done in Indonesia, by taking an example case of Purwakarta, West Java. Another purpose of this evaluative study was to determine how much the level of effectiveness of each factor, element, or component in supporting the implementation of the program to achieve the objectives of the OVOP application itself.

OVOP program in Purwakarta which is used as case studies in this research is a government program implemented by the Ministry of Industry in 2008–2009. This program involves three main parties: government, teams of experts, and local communities themselves. Therefore, it is necessary to know the aspects that affect the implementation of OVOP so that it can be used as comparison parameters. Parameters

were obtained through the documentary and field survey. The success is indicated by the achievement of the main objectives of the OVOP.

## II. One Village One Product (OVOP)

### II.1 One Village One Product in Oita, Japan

One Village One Product (OVOP) was first initiated by Morihiro Hiramatsu as governor of Oita prefecture in northeastern Kyushu, Japan. During the sixth period (24 years) tenure Morihiro Hiramatsu alleviated poverty of its citizens by applying the concept of regional development which he initiated (Utomo, 2009). OVOP movement then rapidly provided very large contribution to regional development in Oita Prefecture.

OVOP aims to develop products that can compete in global markets while emphasizing the local value and encourage a spirit of community's self-sufficiency. At the beginning phase OVOP was declared as the policy to solve the problem of depopulation caused by young people's leaving from their home areas

which leads to sluggish local industry. In addition, it emphasized the concept that not only in terms of economic prosperity (Gross National Product) but also the inner satisfaction (Gross National Satisfaction) of the local community are important (Kazuhisa, 2007:3).

The background of the implementation of OVOP movement in Japan at that time is as follows (Kazuhisa, 2007:5):

1. The increased concentration and density of population in urban and the decline of rural populations, so that rural areas were experiencing power loss and the economy activity was declining
2. The necessity to generate economic activity in accordance with the scale and size of the rural area to revive the ability of the countryside area
3. Reduce the sense of dependency of rural communities to the Local Government and the need to create initiatives and strengthening the spirit of the village community.

Initially, OVOP's main objectives (Kazuhisa 2007:6) are as follows:

- To prevent reduction of population size and loss of labor in Oita Prefecture
- To find and maintain products or industries most reflecting and beneficial in each region
- To eliminate the dependence on government, and to increase the autonomy of the region.

Kazuhisa (2007:7-8), formulated the most fundamental principles of OVOP into three important points: 'local but global', 'self-reliance and creativity', and 'human resources development'.

- a. Local but Global principle is applied by creating a product that is able to reflect the community's pride of local values and cultures and also be acceptable by the

global market. Previously there was a presupposition that local commodity does not have a universal nature, and international commodities has cosmopolitan nature. But actually, the higher the originality and uniqueness of a product, the higher the product will be assessed and reviewed internationally. Cultures enriching the local properties are valued higher by the international community. Even so, that does not mean that local commodity can instantly become a global commodity. Each region needs to consider the potential of the area as a local commodity. Local commodities must be maintained and quality must be improved as high as possible. That way the new local commodities are able to compete in international markets.

- b. Self Reliance and Creativity, means that OVOP is realized through independent actions by utilizing the potentials owned by the area. It is mostly related to the community's initiative and creative efforts to become autonomous. This is important because a movement that was launched from the top (top-down) is hard to follow and to keep sustained. In addition, it should be considered also about the risks and benefits of OVOP. If the capital for OVOP originates from the community itself, then they will become more serious. Most important point in the implementation of OVOP, is that the initiative should come from the community itself. OVOP movement is generally based on the initiative of local communities. If the role of local communities is low then the movement will not succeed (Sugiharto, 2008).

- c. Human Resources Development, means the social development with creative and challenging spirits. Successful regions usually have a good local leader. If a region wants to make something good in a large scale, national or international, they can make use the large capital investment from outside the region. Some areas practice this way, but some are not. It depends on each area and the community itself. Nevertheless, region and community have to pay attention and improve the local authenticity and uniqueness. Community acts by their own initiative and creativity, and also is responsible for their own region. Thus, OVOP can run on an ongoing basis. Capital investors are concerned about achieving the results quickly but the investor also may immediately leave if unsuccessful. Those who are most responsible for the continuity of OVOP in a region are the local people who live in the area. Therefore, human resources become very important and should be improved as a driver of regional OVOP movement.

To investigate OVOP socialization process in the early days of implementation in Oita, Japan is important, for it will give a clue for the implementation of OVOP in other areas, either in Japan or in any other country. OVOP socialization process was a long series of efforts undertaken by the Government of Oita: (Kazuhisa, 2007)

1. Governor of Oita, Hiramatsu, submitted proposals for OVOP movement to the regional leaders.
2. The prefectural government held the OVOP movement counseling from various sectors in all regions in Oita.
3. The movement was then publicized through the mass media.
4. The government conducted research and established facilities to support technical guidance on a variety of industries.
5. The government organized and prepared a system to distribute and sell the OVOP products
6. The government prepared the awarding reward to the OVOP winner.

OVOP movement in Japan since 1980 has undergone several stages of development patterns (Sugiharto, 2008). The pattern is known as the evolutionary development of OVOP. Stages have passed as below.

1. The first stage occurred in the 1970s was the conceptual development of OVOP movement, as the One Village One Product Movement imitated the same movement that has existed in Oyama and Yufuin.
2. The second stage in early 1980s is the stage of the launch and development of OVOP with the help of the Government and the preparation process. In this stage the OVOP movement began to be presented to local leaders in Oita Prefecture.
3. In the 1980s, OVOP movement enters the next stage. OVOP movement entered into various industrial sectors, including tourism, agriculture and small industries. Human resource development was also carried out by providing intensive training on OVOP movement and its implementation pattern.
4. The fourth stage was characterized by the movement quality improvement to become a culture. The initial purpose of the revenue raising has changed into the satisfaction of producing a product. This stage occurs in the early 1990s and was

known for its motto changes from the Gross National Gross/GNP (Gross National Product) to Gross National Satisfaction/GNS (Prosperity/Gross National Satisfaction).

5. The fifth stage that occurred in the year 1990–2000 is the stage where OVOP movement was introduced into foreign countries and became a positive movement in making a change and increasing role in economic development of each country.

## II.2 OVOP movements in Asia countries

Since 2006 the concept of One Village One Product (OVOP) began to be studied and adopted by various countries, particularly in Asia. In general, OVOP was applied to solve the problems of social and economic disparities between rural and urban areas in Asian countries. In addition, OVOP also began to be studied by the countries in Africa, as a solution to the high dependence of poor areas on the central governments. This section presents some examples of the application of OVOP in Asian countries that had begun earlier than the OVOP in Indonesia. Such countries including Thailand (One *Tambon* One Product), Taiwan (One Town One Product), Malaysia (One District One Industry), Philippines (One Town One Product), and Cambodia (One Village One Product ).

These examples will later be compared to the case of Indonesia in this study. I will pick up several factors in comparison to show the similarities and differences between those OVOP adopted countries (see Table 2.1 at the end of this chapter).

### A. One *Tambon* One Product – Thailand

One *Tambon* One Product (OTOP) in Thailand is a national program conducted by the

Government of Thailand that aims to promote local industry based on the local cultural traditions. Targetted unit for this program is the administrative unit known as *tambon*, which means village or small town.

This program began in January 2002 with support from JETRO in the form of mentoring and the promotion of OTOP products in Japanese market. Targetted local industry included textiles, wood products, baskets, and mulberry paper. The implementation of this program was done by JETRO in coordination with OTOP committee, of Department of Export Promotion, and also supported by various organizations in Thailand and Japan.

The implementation of OTOP is based on the intentions of Thai government, among which are to (Sugiharto, 2008):

- a. Create jobs and activities which has more economic value for the village community
- b. Strengthen the ability of community to develop the regions independently.
- c. Develop traditional skills, by using local resources and utilize the local workforce.
- d. Develop human resources (HR) and community's ability.
- e. Encourage creativity and innovating ability of a community, especially in developing local products originated from their cultural tradition.

OTOP program basically has the same basic concept with OVOP in Japan. It aims to develop a community by promoting products or services related to local cultural conditions. It states that local communities have wisdom, culture and local traditions, and that any core competencies will be used as local identity and every local community should make its local products corresponding to market demand.

One of the important points of the OTOP

case in Thailand is that the efforts were made to achieve the goals and objectives of a strategic plan by increasing community involvement in this program. In addition, by improving production processes through research and trials, the program looked for value-added products, and assisted in marketing of products. The government also created a comprehensive data base system so that information about each *tambon* can be easily accessed. Internet technology has been introduced to each *tambon*. The government sought for financial support both from within and outside the country, and also conducted Thailand's tourism promotion to support the plan.

To be certified with the OTOP star certificate, a product should at least have a certain uniqueness which reflects the local identity based on its culture and history. In addition the product also had to use local materials without endangering natural environment. An OTOP product also represents *tambon's* identity. The products developed through the OTOP program include food products (processed and unprocessed), clothing, decorations, souvenirs, gifts, natural products and herbs (herbal medicine) and drinks.

Production unit of OTOP consists of the community members or the group members of a community, and an entrepreneur who produces local products typical to the area (district). Producer (entrepreneur) can be individual or a group with membership ranging between 10–15 members. Product selection process starts from *tambon* level to national level. Product selection process conducted in *tambon* level is done by the community led by the community leader. The selected products then are submitted to a higher level with other proposed product, the OTOP sub-committee for the district level.

The next is a provincial level, and the highest is national level. Product selection process at the national level is conducted by the OTOP national administrative committee.

Products are selected to obtain certification known as OTOP Product Champion (OPC). OPC is classified into five levels as below. The estimation is done through the product selection process mentioned above.

- I. Five stars (more than 90%) deserves standardization or exportability
- II. Four stars (80–89%) deserves to be recognized in domestic market
- III. Three stars (70–79%) needs to be continuously improved the quality up to four star
- IV. Two stars (50–69%) needs to be improved and regularly evaluated
- V. One star (less than 50%) is difficult to be improved

## B. One Town One Product – Taiwan

One Town One Product is a local marketing concept adopted from the Japanese OVOP by the Ministry of Economic Affairs (MOEA) of Taiwan. The program started in 1989 aims to stimulate local industry by integrating local resources and expertise. Until now OTOP in Taiwan has been successfully established at 96 towns. MOEA has launched a website informing unique local products and beauties of various small islands in Taiwan. The concept of OTOP in Taiwan is not only to find superior potential of a region but also to make these regions as tourists areas. Various kinds of developing potential can be found in agro tourism, eco-tourism, food, beautiful sea, art, flowers, handicrafts, weaving, and so on. The name "One Town One Product" is interpreted as a special local industry by a community. The



word "OTOP" is also expected to make its products into the most unique one (Top One) in the area, and to make consumers admire the quality of Taiwan products.

Taiwan OTOP products were originally divided into 3 categories: agricultural products; crafts and arts; and leisure. Through the OTOP program's development, however, after 2010 OTOP products are classified into 2 main categories of products and services. The products category consists of processed food, cultural handicrafts, and creative life, while the service category comprised of countryside leisure, festival events, and creative gourmet. The government also held a routine design competition every year to bring new designs to the local value.

### C. One Town One Product – Philippines

One Town One Product in the Philippines was a priority program of the government of President Gloria Macapagal-Arroyo to promote entrepreneurship and create jobs. OTOP leaders in each city were expected to lead the identification, development and promotion of products or services that have a competitive edge. OTOP Philippines provided support to micro, small and medium enterprises to produce, promote, and market special products or services that use local materials, expertise, and talent.

OTOP Philippines offered a comprehensive assistance package through a series of services from local government units (Local Government Unit-LCU), national government officials (National Government Agencies-NGA), and private sector. These include assistance package consisting of:

- a. Business Counseling
- b. Appropriate technology
- c. Skills and entrepreneurship training

d. Marketing

e. Design and product development

### D. One Village One Product – Cambodia

One Village One Product Movement in Cambodia has been known long time ago. Cambodian people are known to be very creative in making various products including bags, baskets, pottery products, weaving, and so on. These products can be said to be unique because of availability and access to local materials. In addition, these products are made to meet market demand and can increase family income and boost the economy. Even some of the provinces are named in reference to their products, such as *Kampong Chhnang* (*Chhnang* = Pot).

Recently, several institutions started some other programs with similar activity and purpose as OVOP movement, such as:

- I. One Province One Product Movement, initiated by the Ministry of Commerce
- II. "One Association or One Community One Product", initiated by the Association/Community of Small and Medium Enterprises to improve productivity and quality of local Cambodian products to meet local as well as international market demand, especially in the tourism sector.

Promotion of local products can help reduce national expenditures resulting from the import of foreign products. Approximately 30% of income from tourism disappear because of the import of foreign products to meet tourists' demand, such as daily necessities, souvenirs, as well as fruits and vegetables.

Expecting the contributions of OVOP movement in rural economic development and reduce poverty, the Government of Cambodia decided to continue to support the OVOP

movement realized in these programs. One of the reasons to continue the programs is to increase creativity and confidence of villagers. The main vision of the implementation of OVOP is to promote local products and to improve the people's living standards.

The purpose of the implementation of OVOP in Cambodia contains four main objectives. The first objective to be achieved is to promote local products and services, create jobs, and increase revenue per capita. The next goal is to increase the added value of local products through the stages of processing, quality improvement, and packaging. OVOP in Cambodia also aims to promote the marketing relationship between products and services at village level and international market. The ultimate goal is to prevent depopulation of rural communities as a result of job seeking in urban areas.

The mission of the implementation of OVOP in Cambodia is to evaluate OVOP movement that has been there before, and promote the movement in other regions where there has been no such movement. OVOP movement also has a mission to coordinate the government with other institutions such as investment companies, private companies, and national/international organizations to facilitate and encourage local manufacturers. In addition to working with various institutions, OVOP movement also encouraged to cooperate with vocational training institutions, both public and private, with the aim to provide experience and modernization for rural producers and micro entrepreneurs. OVOP movement in Cambodia also has another mission to cooperate with other countries adopting OVOP movement to strengthen and make sustainable the Cambodian OVOP.

#### **E. *Satu Distrik Satu Industri* (SDSI) – Malaysia**

The first project that marked the beginning of the development of OVOP movement in Malaysia was known as One District One Product (ODOP), conducted in Kedah in 1992. In 2002 the movement developed into the One Village One Industry (OVOI), with referring to Thailand's OTOP movement. OVOI then transformed into SDSI in 2003.

SDSI program currently implemented by Malaysia is a program that began in 2006 with the following basic concepts:

- I. Developing and commercializing special products or services from a particular district to national and international level
- II. Combining such products and services with tourism and other activities
- III. Building a creative, innovative, and harmonious community through the socio-economic activities
- IV. Creating and promoting a more resilient and competitive business model for local entrepreneurs
- V. Shifting the focus from poverty eradication to competitive business projects.

Malaysian government interprets SDSI as a strategy to develop industrial clusters in several regions to advance the industry/entrepreneurship in specific areas. Central Government provides supports in funding, technological training, business management, marketing, quality certification, and so on. With these supports from the SDSI supporting organization, entrepreneurs in rural area are expected to find potential products or services, to increase their quality, and to promote and market globally to achieve a brand for the region. SDSI is a synergy between entrepreneurs in the region, Governments, and supporting organizations.

Implementation of SDSI Malaysia went in line with Visit Malaysia tourism campaign. Visit Malaysia tourism campaign offers tourists to visit various villages to stay at resident's home and to experience a variety of everyday life such as farming or making crafts. Expected activities are those that are associated with SDSI superior products/services.

#### F. One Village One Product – Indonesia

OVOP is an approach to develop and realize the potential ability of SMEs in Indonesia. Besides using OVOP approach, development of SMEs in Indonesia also uses the Cluster approach. National Industrial Policy with cluster format integrates all potential resources of each region optimally (resources-based), harmonize them with an increasingly opened market opportunities due to globalization (market-based), strengthen the capacity and competitiveness along the value chain of production factors (value chain) by prioritizing geographical proximity and partnership strategies for minimizing the transaction costs and transportation, achieving overall business efficiency, and anticipate the impact of globalization.

Products developed through OVOP approach can be either tangible or intangible. However, according to the road map prepared by the Ministry of Industry, these are limited to the following products (Documentation Presentation Director-General of the SME Department of Industry, 2009):

- I. Processed foods from agricultural and plantation crop
- II. Drinks processed from agricultural and plantation crop
- III. Weaving typical of local communities
- IV. Household goods including decorative products and interior products
- V. Arts and crafts items including souvenir products
- VI. Herbal and essential oil typical of local communities.

#### II.3 Summary

This section summarizes the various cases of OVOP in several countries. The following table shows similarities of some factors encountered in the implementation of OVOP in various countries as well as special factors found only in certain countries.

Table 1

No	Parameter	Oita	Thailand	Taiwan	Malaysia	Filipina	Kamboja	Indonesia
1	Objectives	Community empowerment	Regional economic development as part of restructuring the national economy	Local industry stimulation	Local special products and services development	Increase entrepreneurship and create jobs	Promotion of local products and services, creating jobs, increasing income per capita	Enhancement of small and medium industries
2	OVOP Initiator	Community	Central government (OTOP National Administrative Committee)	Central government (Ministry of Economic Affairs)	Central government (Perdana Menteri)	Central government (Department of Trade and Ministry)	Government	Central Government (Ministry of Industry)
3	Stakeholders (other than the OVOP Initiator and community)	Cooperatives; Government officials	Local government; University	Consultant organization	SDSI Working Committee	Local government unit; Private institution	No data	Consultant
4	Financing	Local banks; Cooperatives	BAAC; Miyazawa fund	Central government (Ministry of Economic Affairs)	Central government	Central government (Department of Trade and Ministry)	Government	Central Government

5	Timeframe of implementation	30 years	10 years	21 years	19 years	8 years	No data	3 years
4	Stages of implementation	1. Submission of OVOP implementation proposal by the local government	—	—	—	1. Preparation and business development programs submission in the area by LGU	—	—
		2. Counseling of OVOP implementation by the local government	—	—	—	2. Submission is processed by the government	—	—
		3. Publication through mass media	—	—	—	—	1. Studies on the contributing factors by the government	—
		5. Selection process of potential products and services which will be developed by the community	1. OVOP potential submission by region / district	1. The location of area to be developed was determined by the government	1. Determination of potential in the region by the government	3. Identification of potential, skills, and preparation of assistance by the DTI and LGU	2. Data collection and identification of potential products 3. Search for local contributing factors by government	1. Determination of the potential products by government
		4. Per prefecture research and establishment of assistance facilities by the government	2. Selection of potential from the district level to central level	2. Analysis of region's potentials and lacks by the local government	—	—	4. The establishment of OVOP center	2. Identification and analysis of potential problems faced by the selected products
		5. Set a specific system to distribute and sell OVOP products	3. Classification of selected potential (product champion)	3. Counseling and potential development by consultants	2. The potential products and services are chosen based on the quality to follow the Groom Big program 3. Training and skills upgrading by the government	4. Proses pendampingan oleh LGU	—	3. Implementation of the coaching; 4. Stimulation of SME development as required, by consultant
		6. Giving awards to the OVOP winner	4. Giving rewards in the form of a certificate by the government	—	4. Financing assistance for qualified potential	—	—	—
		—	5. The government provides assistance based on the results of certification	4. Implementation of the program as needed	—	—	—	—
		—	—	5. Program assistance by consultants	—	—	—	5. Monitoring and evaluation by the government
		—	—	6. Promotion of the program	5. Promotion and marketing	5. Promotion through the media and exhibitions	6. Promotion in various exhibitions 8. Creating markets for OVOP products	—
		—	—	7. The establishment of program participant association	—	6. Monitoring the development of marketing by the government	9. Organizing forums	—

			—	—	—	—	7. Assistance in the form of business consulting and product development by LGU	—	—
7	<b>Participation in determining the selected products</b>		Government as the initiator; Community determines which products will be developed	The government provides the funds and making mechanisms; Community proposed its products to be selected by the OTOP agency Government	Community determines the product; Government provides counseling support and funding assistance	Government formulate a mechanism, providing funding and conduct supervision; The private sector become facilitators	LGU choose a potential products (business); Government selects the proposed business; LGU, Government, and entrepreneurs run OTOP programs	Government conducts joint research with other institutions to determine which products will be developed in certain areas	Local governments propose the area's potentials; the central government selects the proposed potential products
8	Design	Design idea	No data	Originated from entrepreneurs (artisans) and consulted to the consultant	Originated from the craftsmen and the assistance of consultants; OTOP Design Competition	No data	Originated from a consultant and developed by entrepreneurs (craftsmen)	Originated from the craftsmen	Originated from the craftsmen, getting input from the consultant during the training
		Design features	No data	Adjusted to market trends	Very traditional; ornamental products; Innovation in local values	Very traditional	Contains both traditional value and novelty; Adapted to sub-contractors request	Very traditional	Tradisional
		Materials	No data	Local	Local	Local	Local and regional	Local	Local
		Production techniques	No data	Traditional and mixed	Traditional and modern	Traditional	Traditional, mixed, and modern	Traditional	Traditional
		End product	Use products; decorative Products	Use products; decorative Products	Use products; decorative Products	Use products	Use products; decorative Products	No data	Use products; decorative Products
	Designer		No data	Craftsmen; Consultant (profesional designer)	Craftsmen; Academician; professional designers	No data	Craftsmen; Consultant (professional designer)	Craftsmen	Craftsmen; Design consultant
9	<b>Forms of assistances</b>		Research Center; Marketing assistance	Technical assistance; Consultation; Certification	Promotion; Technical assistance; Industry associations	Technical training; Management training; Business consulting; Marketing	Technical consulting; Business consulting; Marketing; Promotion; Post-promotion	OVOP Center;	Stimulation package
10	<b>Marketing channels (promotion)</b>		National and international; Events in the area	Regional, national, international; Internet, airlines, Exhibition	National and international; OTOP Website, Exhibition, OTOP Bulletin	National and international; Exhibition	National and international; Sub-contracting system, Exhibitions, OTOP website, OTOP magazine	National; OVOP website	National and International; Exhibition

Based on the implementation of OVOP summary table in the previous section, I compiled a parameter that can be used to analyze the application of OVOP in other regions. The following table contains both general and particular parameters of the OVOP

implementation found in various countries. I will use these extracted parameters as a tool in the next research phase, where I conducted field survey on the implementation of OVOP in the study case area of Plered, Purwakarta.

Table 2

No	General features	Particular features	
1	Objectives		
2	Initiator	Government	Top-down
			Bottom-up
		Community	
		Non-Governmental Organization	
3	Stakeholders (other than the OVOP Initiator and the community)	Government	
		Private sectors	
		University	
		Other Institution	
4	Financing	Government	
		Community	
		Non-Governmental Organization	
		Others	
5	Timeframe of implementation		
6	Stages of implementation	Government	
		Team of experts (Consultant/JETRO/etc)	
		Community (Forum/ Discussion/ Leader/etc)	
7	Design	Design idea	Craftperson
			Designer
		Design features	Traditional
			Trend
		Material	Local
			Non-local
		Production techniques	Traditional
			Modern
			Mixed
		End product	
	Designer	Scholarly background	
		Designing experience	
8	Forms of assistances	Training	
		Workshop	
		Seminar	
		Others	
9	Marketing channels (promotion)	National	
		International	
		Internet/ Magazine/ Exhibition/ other	

### III. OVOP Implementation in Plered, Purwakarta

This chapter discusses the results of field studies on OVOP implementation in Plered, Purwakarta. The contents include location, geographical and natural conditions of Purwakarta, the history of pottery and pottery market developments of Plered, Purwakarta, and the process of implementation of OVOP in Plered, Purwakarta.

#### III.1 Purwakarta

Purwakarta District is located at 107° 30'–107° 40' east and 6° 25'–6° 45' latitude and is part of the province of West Java. Purwakarta District has an area of 97,172 hectares or 971.72 square kilometers covering approximately 2.81% of the area of the province. The district population based on census in 2005 was 782,362 people with an average growth rate of about 2.42% per year. Since January 2001, Purwakarta District consists of 17 sub-district with 183 villages and nine urban villages.

The land in Purwakarta district has geological content of andesite stone, limestone (chalk), clay, sand, quartz sand, stone sand (sirtu), mattress, phosphate, barite and gypsum rock. Most type of soil in Purwakarta is latosol soil and a small portion is alluvial soil, andosol, grumosol, litosol, podzolic and regosol. These natural potentials are one of the factors driving growth of the pottery industry in Plered.

#### III.2 History and market development of Plered pottery industry

Plered is a district located in Purwakarta regency, West Java Province. In Purwakarta history, Plered is one of four of the pottery-producing old village. Other three villages,

Cirata, Gandasoli, and Citalang, experienced no significant progression in the development of pottery like Plered. Based on archaeological and historical records, the human residence and pottery around Plered have been existed since Neolithic age. People came to the area along the Citarum river to Cirata area. The results of excavations in this area indicate the presence of relics of stone, square ax, a tool for pounding the rock, and pots made of clay. *Anjunan*, a place to make pottery, was also found there.

Pottery as an industry has been existed since the Dutch colonial era, exactly since around 1795. This is proved by the presence of *Lio-Lio* (the manufacture of tiles and bricks) around Citalang. People around Anjun (Panjunan) has even started making pottery. In 1935 earthenware became home industry and in the same year a Dutch company made mill glaze named Hendrik De Boa at Warung Kandang, Plered.

The development of pottery had declined dramatically when the Japanese invaders imposed *Romusha* then controlled De Boa factory with changing its name to Toki Kojo (pottery factory). Pottery production also stopped at the time of struggle for independence, because many of the village people struggled against the invaders. This condition ended in December 1949 and the pottery production began to rise in 1950.

In 1965, Plered pottery business declined again, both in quality and quantity. This was due to influx of similar products from plastic materials and metals. Noticing these conditions, the Government Purwakarta cooperated with the Ministry of Industry, Cooperatives and Ceramic Research Institute established the Plered Council of Ceramic in 1974. In 1976,

then, the Ministry of Industry set up a pilot unit to function as a training center of the Plered ceramic craftsmen under the management of the Bandung Ceramic Center. In the era of local autonomy since 1998, Purwakarta District Government made a policy to establish the Technical Implementation Unit (Unit Pelaksanaan Teknis/UPT) Ceramics, whose primary job is to conduct research as well as to develop technology, design and marketing.

During 1950s-1970s, Plered earthenware pottery was the best known local product. With the rapid development of household and interior products made from pottery produced both domestically and abroad (China), however, Plered pottery popularity slowly began to fade. In the 1980s, Plered pottery were still produced but in small quantities. Craftsmen made pottery for household use only. The products at that time were limited to certain types of products such as jars, flower pots, and piggy banks. These products are Plered pottery 'icon' at that time.

After that declining period, Plered pottery production began to increase again along with the increase of buyer and enthusiast. Currently the number of unit of pottery in Plered reach 286 units and the number of workers reached 3,000 people, with annual production capacity reaching 7.2 million units. This increase has boosted the value of export production to reach approximately USD 9.5 billion, while in 2002 the export value of pottery products was only USD 1.2 billion. Plered products now are successfully exported to many countries including Japan, Taiwan, Korea, Australia, New Zealand, Netherlands, Canada, Saudi Arabia, the United States, Latin America, Britain, Spain and Italy. The types of Plered ceramic pottery which sold well are *menong* ceramic and Ming vase

with rustybrus hues (copper rust color), rustyiron (iron rust), and rustygold.

### III.3 OVOP implementation in Plered, Purwakarta

Cluster program is a government's program which also used to develop the potential of local handicrafts before the OVOP program existed. In the implementation of this cluster program pottery craftsmen held a routine forum. Through this forum the government introduced the OVOP approach to the community. Because the program was a top-down program, OVOP approach was applied to the community in accordance with regulations set by the government. The community accepted and implemented the program in accordance with government planning.

After its introduction in 2008 through the forum, the government began to implement regular training each year, until the last training conducted in late 2010. Training participants were 20 people selected from members of the previous cluster consisted of a group of craftsmen. Selection of the 20 craftsmen was done by the cluster chairman and the government. The selection was based on several criteria including business continuity, a willingness to cooperate, and willingness to go forward.

Purwakarta is one of 10 regions in Indonesia included in OVOP program implemented by the Ministry of Industry to develop craft products. Other areas are Tasikmalaya (Matting), Pekalongan (Weaving and woven vetiver), Boyolali (Crafts copper), Bantul (Pottery/decorative ceramics), Kulonprogo (Matting), Bangli (plaited bamboo), Tabanan (pottery/ceramic decorative), West Lombok (Pottery/decorative ceramics), and Central Lombok (Rattan and Ate). The program started in 2008 and was planned to be implemented until the year 2012 (five years).



In practice, the Directorate General of Ministry of Industry SME appointed a third party to carry out technical training in these ten areas. Training was conducted every year since 2008 by consultants appointed through tender process.

OVOP program implementation by the government in Plered will be presented at the explanation below, in accordance with the parameters of the analysis of the observations that have been created in the previous chapter.

#### A. Objectives

OVOP program in Indonesia conducted by the Ministry of Industry aimed to improve the ability of small industry in a region. The program was expected to lead the small industry to improve their economic condition and strengthening the export market. Therefore, the implementation of OVOP in Plered aimed at developing and strengthening pottery and ornamental ceramics industries only.

#### B. Initiator

OVOP in Plered was initiated by the central government beginning at 2008. Implementation of this program was Top-Down style and applied to industrial clusters that have been existed in Plered since before the program began. The selection of the clusters which would be developed by OVOP approach was based on a research conducted by the central government. OVOP program was introduced to the Plered craftsmen community through socialization in the routine cluster forums. Since then, clusters development approach was replaced by OVOP technical training programs activities.

#### C. Stakeholders

The parties involved in the implementation of OVOP in Plered consisted of government

(central and local), consultants, and the craftsmen community. Government had to prepare the overall program, fund the OVOP activities, and provided technical training through the consultant. Consultants were given tasks to prepare and plan for technical training that would be given to the craftsmen. Training plan was based on the terms of reference (TOR) that had been made by the Central Government. In addition, the consultants were also responsible to formulate the most appropriate method to provide the training to artisans. In addition, they were also responsible to determine the target of training, to give the training and also to fulfill the target of the training.

OVOP implementation in Plered involved not only the central government as the initiator and the community as the main actors, but also a third party designated by the government through an auction process. This third party acted as a consultant to determine the area designated to be developed with this program and as a program executor by providing technical training to the community. Plered community involvement in OVOP was limited to the craftsmen who are appointed to receive training. In addition, the craftsmen obtained raw materials from other villages in Purwakarta district for the production activities. The twenty craftsmen who had been elected basically already have had a fixed market and customers since before they were incorporated in the OVOP program.

Consultant involvement in the implementation of OVOP in Plered was also limited as just a party which provided technical training

to artisans and entrepreneurs. Technical training was provided in the form of technical production, management, and entrepreneurship training. Technical training was provided to OVOP participants for ten days in a year period during the 5 years implementation of OVOP program. That made the overall number of days of the training provided by the consultant for the program only about 50 days.

#### D. Financing

OVOP program was fully funded by the central government, only for training and facility providing. When the craftsmen got the order to produce certain products, then the required capital to produce was provided by the craftsmen. In one of the technical training provided, the participants were also being taught about how to propose the financial aid to a bank or other financing institution. But in practice, filing assistance or loan capital by the craftsmen almost never been approved (the craftsmen are mostly black-listed by the bank or the financing institution) by the lender. This is the result of the previous cases done by many craftsmen in Plered, that is, the payment delay of the capital loan. Due to that situation, most of the craftsmen used their own capital to produce the ordered products. The delay of loan returning mostly occurred because of the disability of the craftsmen to manage their finance. They were unable to distinguish the personal finance to the company finance. At some cases, the craftsmen were even unable to pay the loan at all.

#### E. Timeframe

OVOP program implementation in Plered

was planned to last for 5 years starting from year 2008 through 2012. Until now, the implementation enters the third year (2011). So far, the execution of OVOP program only continued when the training was carried out. That is 10 days per year.

#### F. Stages of implementation

Implementation phase of OVOP in Plered began with the process of the program socialization through regular cluster group forums. OVOP program was introduced to the craftsmen community in Plered through technical training. Technical training was given at the end of each year for 10 days. At the same time, the craftsmen were facilitated by the government to participate in exhibitions, both nationally and internationally. Participation in these exhibitions aimed to find new markets for the products, especially the new products produced during the technical training. The government controlled the implementation of this program with the help of the chairman of the OVOP cooperative (Mr. Eman Sulaeman.) during and after the technical training.

Mr. Eman was first elected as a chairman before the OVOP program started. At that time, the central government was implementing a craft community development program by using the cluster approach. Mr Eman was chosen because the community elected him. He came from a family which has been doing pottery business for six generation. The skill of pottery making in his family was inherited from generation to generation. Since before the business activities were developed in Plered, his family had already been making and selling the pottery products. Mr Eman's family was famous among the community

because his family was pioneering the development of business center in Plered. The family business also absorbed certain amount of working labor each year from the community around. The community respected his family a lot because of the skills of pottery making of the family. The family was also respected especially for the consistency of the family in running the business even when the monetary crisis stroke Indonesia in 1998. The crisis stroke a lot of small economic sectors in Indonesia, including the pottery industry in Plered. At that time, a lot of craftsperson left their job as a potter and started to find a new job which was considered as better and more promising.

#### G. Design and Designer

The original pottery products produced in Plered were only traditional household goods, such as vase, vessel, piggy bank, and container. The community used the same technique to produce those products. Each of home industry used to make similar designs intentionally or unintentionally. When some craftsperson makes a new design, the other craftsperson will copy the design and then sell it with cheaper price in their shop. It also happen when a craftsperson (or a home industry) receive an order to make a certain design from a buyer, the other home industry will copy the design and sell it. In other cases, when a buyer comes to Plered and make an order of a certain design, the buyer will ask each craftsperson there. The buyer will certainly go from one shop (or craftsperson) to the other shop asking for the price and make a comparison. The craftsperson who already knew the habit

of a buyer, will first ask the price offered by another shop before tell their own price. After that, regardless how much will it actually cost for the production process, the craftsperson will offer a lower price than the other one. This situation has been happened since long time ago in Plered causing an unfair competition between the craftsperson. As a result, the quality of pottery products in Plered was declining. The craftsperson was forced to reduce the production cost by using less qualified material.

By the socialization of the OVOP program, government tried to minimize this unfair competition among the craftsperson. The government regularly carried out a technical and design training for the craftsperson. This training taught the craftsperson how to make a new design. Using many kinds of methods, the design theory was also introduced to the craftsperson. The training aimed to make each craftsperson know how to make a new design based on their experience and knowledge of the targeted market. During the training, the craftsperson was given the knowledge of new types of finishing techniques, new forms, design process, and also the global trends. It was expected that in the future, each craftsperson is able to make an innovation for their products. The training emphasized on how to create a product which can reflect not only the traditional values but also the international market taste.

The subject matter in the training was given by an expert team. This team consisted of a management expert, a production process expert, and a design

expert. The design expert usually prepared several new designs of pottery before carrying out the training. During the training, he showed the designs and asked the participants to make the products using the same designs. Before the participants made the products, they were given a lecture about trend and design process. The participant also had to make their own design based on the knowledge given at the class.

#### H. Forms of assistances

The assistance given under the OVOP programs includes the technical and design training (once a year) and the facilitation to participate in a national and international exhibition. During the training programs, the OVOP cooperation chairman, Mr Eman made a contact with the expert team only if a craftsperson needs to consult. And this also rarely happened.

The technical assistance has been provided by the government through the Technical Implementation Unit (UPT) since before the OVOP program started. Technical Implementation Unit (UPT) is run by the government officials. Most of the government officials are not competent in the pottery field. For almost 20 years, UPT and the craftsperson community have not had a good relationship. This is because the UPT usually played a role as a representative of the craftsperson in any exhibition. The UPT person received any order from buyers and became intermediary traders. The craftsperson did not have a chance to directly communicate with the buyers, and there were times when the UPT person refused to include the craftsperson in making contract with the buyer.

Since the OVOP cooperation was established, every exhibition sponsored by the government was represented by the cooperation. The products were selected by the cooperation chairman fairly. And every order contract was done by the craftsperson and the buyer. The UPT still exists as a place where craftsperson can consult many things related to production techniques.

#### I. Marketing channels

Even before the OVOP program was implemented in Plered, every craftsperson has already had his own buyers. OVOP program provided opportunity to the craftsperson to find a new buyer through participation in many exhibitions. The best products were also promoted through television show as an effort of promotion. The government also creates an Indonesian OVOP website which contains information about OVOP program. The website was not really describing the OVOP program in Indonesia specifically.

### IV. Analysis

- Implementation of OVOP in Indonesia aimed to increase the effectiveness of the Small and Medium Industry production. In Japan OVOP was a movement which was performed as one of the regional development strategy. It aimed to strengthen the ability and independence of an area, through the development of indigenous potential possessed. In Thailand, the Philippines and Cambodia, where the level of poverty and unemployment tent to be high, OVOP program aimed to improve the economy. While in Taiwan and Malaysia OVOP program aimed to develop

the potential of the region and stimulate local industry. The government focused on strengthening the cultural potential through the development of products and services in various areas.

- OVOP in Japan at first not named OVOP as it is known now, but rather a movement named NPC (New Plum and Chestnut) Movement. This movement was started by the local community leaders in response to the disagreement with the agricultural policy of the central government which was considered as unsuitable with the existing natural characteristic. This movement later restated and presented as a movement that can be applied in other areas 20 years later by the governor, Morihiro Hiramatsu. Hiramatsu then disseminating the fundamental concepts of NPC movement in terms of One Village One Product and initiated the OVOP movement in other areas in the province.
- Compared with the initiator of OVOP in other countries, OVOP in Indonesia was similar to others, had the government to initiated the program. The fundamental principles of OVOP initiation should have came from the community. In the case where government initiates the program, local community should be stimulated slowly and gradually to participate.
- In each country the parties involved in OVOP other than government as the initiator was different. In Japan, where the government is not the initiator, the government engaged in providing support such as established a research institute and organized the cooperative. Implementation of OVOP in Indonesia, besides involving the central government as the initiator and the community as the main actor, also involves

a third party appointed by the government through an auction process. Consultants determined the designated area to be developed by the OVOP approach and as executor of technical training provided to OVOP region. Technical training provided included technical training of production, management, and entrepreneurship. In terms of the promotion of the small and medium industries, consultant gave technical training to meet the needs of small industries to be more advanced. But craftsman or entrepreneur needs to comprehend the basic principles of OVOP more than merely receiving technical assistance or guidance that only lasts for a certain period.

- OVOP in Japan was not using the government funding. Because of OVOP in Japan was a social movement and not a government project, the community took the initiative to try independently. All the required funds collected by themselves, either by borrowed to financial institutions such as banks, or raised capital together from the whole community to be shared through cooperative societies. By using their own collected funds, the community became more responsible and careful in using these funds. The community beared either losses or gains from the utilization of these funds. OVOP program funding in other countries were generally derived from its government. Funding of the implementation of OVOP in Thailand came from several financial institutions such as the BAAC and the Miyazawa Fund, while funding for the implementation of OVOP in other countries were entirely from the central government budget. The funds of the implementation of OVOP to craftsmen

or businessmen in Indonesia was also from the state budget, so that the amount was equal between one region and another. What had to be avoided was the equal distribution of funds to the craftsman/entrepreneurs who do not have the will and motivation to be independent with craftsman/entrepreneurs who have a strong desire to be independent. Because it is feared that even the people who has no motivation to become independent also will receive the funding. In such a case, the main purpose of OVOP to build an independent community will be difficult to achieve.

- In general, the comparison of the span of implementation of OVOP programs in various countries is not indicating the level of success of the program. But the span of implementation affected the form of OVOP in each country. By years of experience in implementing OVOP, a country will form the most appropriate methods. Indonesia, as a country that is relatively new in implementing the OVOP program, should have a lot to learn from the experiences of other countries, especially the experience in the first stages of the implementation of OVOP. Japan as the first countries to implement OVOP take nearly 30 years to be considered as successful. Thailand has implemented OVOP for nearly 20 years and has formed a very typical method such as the Star certification system. While the Philippines, which relatively new in implementing the OVOP has been very goal-oriented by applying different methods. Implementation of OVOP in Taiwan for more than 11 years has also shown his trademark characteristics in various local cultural by appointing the almost forgotten potential of local villages.

OVOP implementation in Plered, also other regions in Indonesia, is a five-year plan program. OVOP program should be tailored to the needs of individual craftsmen in the area.

- A product's design that was developed in the process of implementation of OVOP has other related factors, such as the potency of the people, natural resources, and the intended target market. In developing craft products it is necessary to develop the design that not only produce good and beautiful objects, but also must be able to preserve the traditional values, especially the special skills which possessed by the craftsman. Basically, the design can be developed through feedback or suggestions from the existing design. The values contained in a craft object cannot be viewed simply as a product that has a specific function. Therefore, the development of the design should pay attention to the other values. In this case, the designer has a very important role, especially to produce a design that can be accepted by the market, while maintaining the traditional values of craft which has been inherited for generations.

## **V. Evaluation of the Indonesian OVOP Program**

Government of Indonesia implements OVOP program as an effort to develop the potential of small and medium industries in a region. With this goal, OVOP program in Indonesia still focuses solely on artisans and entrepreneurs in a region.

By learning from the implementation of OVOP in various countries, it is expected that

the implementation of OVOP in Indonesia will find a form which suits the local needs. At such a stage it can be found the relevancy between the OVOP basic concept and the practices of OVOP conducted in Indonesia.

Related to the OVOP basic principles, OVOP program implemented by the Indonesian government have a quite fundamental difference. The first principle, **local but global**, which means producing a product or service that not only contains local values but also can be accepted internationally, was tried to be rationalized by improving product quality through the training of production techniques and design process. The result of the training could not indicate improvement in craftspeople's ability to produce 'local but global' products yet.

The OVOP second basic principle, **self-reliance and creativity**, which means utilizing every potential owned by the community creatively with independent efforts, has already found in OVOP implementation in Plered. The natural and human potential which already had been used by the community for a long time, now is gaining greater support from the government through OVOP program.

The third principle, **human resource development**, has the meaning to develop the community members to have a passion for being creative and able to face challenges. OVOP as government programs has not focused on the potential development of local communities as a whole. The spirit of OVOP has only been introduced to the program participants, such as artisans and entrepreneurs only.

Basically the implementation of OVOP in Plered seems to be inconsistent with the fundamental OVOP principles which were supposed to be realized in the application of

OVOP. This inconsistency can be reduced if the whole OVOP program enacting stages planned by the government are fully carried out with full responsibility. Top-down procedures will definitely require monitoring and continuous evaluation so that the main objective in the field can be achieved. The previous analysis results indicate that the OVOP implementation program in Plered was not in accordance with the principles of OVOP as a whole.

This study has found out several important factors in Indonesian implementation of OVOP. Considering the top-down style of Indonesian OVOP program, it needs more efforts to make OVOP be understood by people of a region and be accepted as a spirit to develop themselves. This can be achieved by looking for a central figure in a community. He/She is a man/woman whom the community members listen to with respect, and also a man/woman who is willing to cooperate with government, and understands the importance of community building around him/her. The existence of such a figure will allow the OVOP socialization process more effective so that the program will be accepted not solely as a government program but also as a self-developing program.

## VI. Recommendation of OVOP Implementation in Indonesia

The previous analysis results indicate that the OVOP implementation program in Plered was not in accordance with the principles of OVOP as a whole. Therefore I will propose recommendations to improve the implementation of OVOP in Plered, and also the implementation of OVOP in Indonesia in general. These recommendations are addressed to the government as policy makers, expert team involved in the

implementation of OVOP (in this case a designer), craftsman/entrepreneur, and community. The recommendation is as follows:

a. Government

- Implement the OVOP program not merely to solve the problems faced by SMEs Crafts industry, but also to support regional development in general
- Conduct a more selective and flexible selection of artisans/entrepreneurs which will be fostered in the program
- Make the mentoring and coaching stage as a reward for selected entrepreneurs/craftsmen
- Make the OVOP program as target-oriented program, so that its implementation would be more dynamic and responsive in solving various problems faced in the field
- Open marketing channels and provide market through cooperation with various stakeholders including private sector
- Run a comprehensive monitoring and evaluation.

b. A team of experts/designers

- Play a role as a design bank and consultant
- Consider the suitable design development for the crafts SME as an effort to preserve traditional values while meeting the demand of the market
- Utilize community organizations and institutions which already established in running mentoring and training

c. Artisans/entrepreneurs

- Reduce the dependence of production only based on buyer's design, and be more creative in exploiting potentials for developing the design
- Understand the role of design as a skill to preserve traditional values of craft as

well as to meet market demand

- Make use of community organization that had been established to carry out OVOP. Making use of these organizations will enable involvement of widespread Plered community.
- Increase skills and plant them to young generation to realize the sustainable handicraft business in the future

d. Community

- Commit the OVOP implementation program from the beginning stage
- Increase motivation to be independent and be beneficial to the community
- Increase motivation to think creatively in harnessing potentials of the community and the environment
- Foster younger generation of craftsman to anticipate the sustainability of the OVOP program in

This study has found out several important factors in Indonesian implementation of OVOP. Considering the top-down style of Indonesian OVOP program, it requires more efforts to make OVOP be understood by people of a region and be accepted as a spirit to develop their community. This can be attempted by looking for a central figure in a community. He/She is a man/woman whom the community members listen to with respect, and also a man/woman who is willing to cooperate with government, and understands the importance of community building around him/her. The existence of such a figure will allow the OVOP socialization process more effective so that the program will be accepted not solely as a government program.



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